EXHIBIT B

PRIVILEGED AND CONFIDENTIAL/
ATTORNEY-CLIENT COMMUNICATION/
ATTORNEY WORK PRODUCT

CROWELL & MORING LLP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2595
(202) 624-2500

FOR ASSISTANCE OR CONFIRMATION
(202) 624-2934
TELECOPY NUMBER
(202) 628-5116

TELECOPY TRANSMISSION

TO: Robert B. Burns
Vice President, Randall America

March 14, 2001

FROM: Clifford B. Hendler

SENDER'S DIRECT NO.: (202) 624-2928

FACSIMILE NO.: (617) 725-1599

TELEPHONE NO.: (617) 725-1516

NO.OF PAGES INCLUDING THIS PAGE: __

Re: Stonewall Representation by Crowell & Moring

Dear Bob:

Per our discussion on Monday, please find attached in draft for your review our proposed letter to memorialize the arrangements that we have worked out over the past several weeks.

I will be around all day today, so if your schedule permits you to review the draft letter over the next couple of hours, I will be able to fax you this afternoon a final version incorporating any necessary changes.

Thanks again for working through all of these issues with us to a successful conclusion!

Cliff H.

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL TO WHOM, OR THE ENTITY TO WHICH, IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is prohibited. If you have received this communication in error, please notify us immediately by telephone (collect), and return the original message to us at the above address via the U.S. Postal Service. Thank You.

Draft for Review by Bob Burns

March 14, 2001

PRIVILEGED AND CONFIDENTIAL/
ATTORNEY-CLIENT COMMUNICATION/
ATTORNEY WORK PRODUCT

By Telecopy

Mr. Robert B. Burns
Vice President
Ken Randall America, Inc.
7 Bulfinch Place
P.O. Box 9510
Boston, MA 02114-9510

Re: Stonewall Representation by Crowell & Moring

Dear Bob:

With thanks for the opportunity to represent you, and real enthusiasm for the chance to have an impact on your docket, Andy Marks, Robert Davis and I write to confirm the business arrangements that we have worked out with you over the past several weeks.

First, we are looking forward to handling the docket of cases as a group on a fixed cost basis. Accordingly, in return for a fixed fee, our firm will assume responsibility for providing the necessary lawyers and legal assistants and also paying for all associated expenses such as local counsel, travel, xeroxing, court reporters, and so forth that we incur on your behalf. Only the costs of experts will be billed separately. Precisely because we have committed to a fixed cost arrangement, we will have both the incentive and the flexibility to deploy our resources in ways that we believe will enable us to serve you most efficiently.

Second, we have agreed between now and the end of December to litigate, negotiate and/or provide counseling under your direction for a primarily East Coast docket of between 10 and 20 matters. The first fourteen of those matters are already identified on the attached chart, i.e. 14 of the 16 cases that we discussed during our meetings in Boston and in Washington. We also hope that, as circumstances warrant, you will be retaining us for additional matters between now and the end of the year, subject to our success in clearing any conflicts.

In return for our representing you in those 10 to 20 matters, you have agreed to pay our firm a fixed fee provisionally pegged at $1,250,000. As we both recognized when we met last month, once we have access to the German Gallagher files, complete our initial evaluations of the cases, and meet with you and your colleagues to put in place agreed litigation strategies for each of the cases, we will have a much better sense of the work that will – or will not – be required for each matter. Accordingly, we will meet with you after 90 days to discuss each of the 14 cases (and any new cases assigned to us in the interim) to determine whether, in fairness, the $1,250,000 figure should be adjusted downward or upward in light of both our common goal of making sure that economic arrangements appear to all concerned reasonable under the circumstances and our firm's aspiration that this year's work lay the foundation for a long-term relationship that has Stonewall for the future counting on Crowell & Moring to deliver high-quality, cost-effective representation.

To provide Stonewall with a basis for billing reinsurers, we will send to you within 45 days of the end of each month a billing statement for each matter itemizing the professional time and expenses invested in that case during that month. Likewise, within 45 days of the end of each month, you will wire transfer to us 1/9th of the agreed upon fixed cost, i.e. initially 1/9th of $1,250,000 or $138,850 per month.

We are particularly grateful to you and your colleagues for your patience while we worked through with ACE its initial concerns with departing from its longstanding insistence that its National Coverage Counsel represent only ACE-related Companies in the Major Claims area. In particular, we especially appreciate your accommodating the three conditions on which ACE USA hinged its approval of our representing Stonewall (and other carriers that you and Brian might ask us to serve) even as we continue to represent ACE as National Coverage Counsel:

- no cross-claims or bad faith/extra contractual claims against ACE-related Companies to be brought by Crowell & Moring;

- case by case approval for new representations, with ACE reserving a right of first refusal to retain Crowell & Moring, but also pledging "to do everything possible" to respond to proposed representations "as expeditiously as possible;" and

- Crowell & Moring not taking positions for Stonewall on substantive issues, including trigger and allocation, that would create positional conflicts.

As we have discussed, ACE USA's conditions do not preclude Stonewall itself from bringing cross claims or bad faith claims or advocating positions opposite to ACE. However, Stonewall would have to have to use one of its other law firms to do so.

Fortunately, it appears from what we have learned so far about Stonewall's docket that the circumstances of concern to ACE will rarely come to pass. If they do, ACE has pledged to attempt to be "reasonable" in dealing with them. And, in any event, Stonewall has in place and plans to continue to use other firms besides Crowell & Moring, so alternative counsel would be readily available to you, if you needed such counsel.

With these financial arrangements and ACE-related "conflict" issues now worked out, we are excited about getting to work on the cases themselves. In particular, we look forward to your proposed April 1st date to transition the cases from their current counsel and appreciate your willingness to continue to compensate the current counsel for reasonable efforts under our direction to expedite that transition by passing along information and documents that would help us protect Stonewall's interests. (Likewise, Stonewall itself would remain responsible for the cost of current counsel's past legal services and the expenses that current counsel incurred on Stonewall's behalf.)

For now, we will keep our new representation of Stonewall confidential so that you and your colleagues can inform current counsel in the first instance. But as soon as you give us the word, we will proceed immediately to set up transition meetings with current counsel, begin dealing with policyholder and co-defendant counsel, and keep you and your team apprised of our progress. Likewise, as soon as you give us the go ahead, we will also move immediately to resolve the conventional conflict issues that arguably might be presented in a couple of instances where other Crowell & Moring lawyers represent (or previously represented) Stonewall policyholders or affiliates of Stonewall policyholders in matters having nothing to do with insurance coverage.

Based on the initial meeting with you and Brian in Boston, the file reviews and case-specific discussions with you, Lem, Tony and Alec during the second trip to Boston, and your meeting with us in Washington to discuss our preliminary assessments of the cases, we are genuinely excited about the chance to represent you and convinced that we really can make a difference on your behalf. We've "rolled up our sleeves" and await your instructions to get underway.

Please let us know if you have any questions or concerns with how, through this letter, we have tried to summarize our understandings with you. If the current form of this letter is satisfactory to you, we would appreciate your acknowledging it below on behalf of Stonewall and sending it back to us for our files. Thanks again for providing us with this opportunity to represent you.

Sincerely,

Clifford B. Hendler

____
Robert B. Burns for
Stonewall Insurance

Attachment

[1793200]

PRIVILEGED AND CONFIDENTIAL/
ATTORNEY CLIENT COMMUNICATION/
ATTORNEY WORK PRODUCT

CROWELL & MORING LLP

Further Revised Draft/CBH
3/14//2001

Stonewall Docket/Provisional Case Rankings
(Potential Exposures/Likely Level of Effort Required)

POLICYHOLDER	TYPE(S) OF CASES	JURISDICTIONS
Studebaker Worthington	Asbestos	E.D.Pa. (D. New Mexico)
Waste Management	Environmental	New Jersey (Hudson County)
A. W. Chesterton	Asbestos	Massachusetts (Middlesex County)
PPG	Asbestos and Environmental	W.D.Pa. and New Jersey (Hudson County)
Rohm & Haas	Environmental	New Jersey (Mercer County)
Celanese	Environmental	11 states (Md., Fla., S.C., Ky., N.C., N.J., Tex., Va., N.Y., Mich.)
I.C. Industries	Asbestos (Environmental resolved)	D.D.C. (threat to join Stonewall)
Dana Corp. [Pfizer/Quigley]	Asbestos	Delaware (New Castle County)
Rhone Poulenc	Environmental	New Jersey (Middlesex County)
Miami Dade	Environmental	Florida (Dade County)
NL Industries	Environmental	D.N.J.
Viacom/Gulf & Western	Asbestos	New Jersey (Somerset County)
Sequa Chromalloy	DES/Thoratrast	Delaware (New Castle County)
Schenectady Chemicals	Environmental	New York (Schenectady County)

[1784248 v. 1]